Ministry of Energy and Mines and
Minister Responsible for Housing

2011/12
Annual Service Plan Report

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Message from the Minister and Accountability Statement

Our province was built on its natural resources and today natural gas, minerals, water, wind and biomass continue to fuel British Columbia's economy. In support of this, the *BC Jobs Plan*, released in September 2011, leverages our competitive advantages to benefit all British Columbians. By opening new markets for export and strengthening our infrastructure to get goods to market, we can grow our economy and create jobs in every region.

The Jobs Plan specifies clear targets for liquefied natural gas (LNG) plants and infrastructure, and the natural gas and LNG strategies establish a plan to achieve these. Our vision is for British Columbia to be a global leader in secure, sustainable natural gas investment, development and export. B.C. is ideally positioned to export natural gas in the form of LNG to growing markets in Asia. By exporting LNG, world-wide emissions will be lowered as B.C.'s natural gas increasingly displaces the use of more carbon intensive fuels such as coal and diesel.

Our support for industry growth and diversification, such as our Infrastructure Royalty Credit Program, continues to fuel natural gas development in British Columbia. Revenues from the sector, including $287 million in petroleum and natural gas rights sales in 2011/12, sustain important government programs and services like health care and education.

The *BC Jobs Plan* sets targets for the number of new and expanded mines in British Columbia. Our mining strategy outlines how B.C. can grow our mining industry and reach out to fast-growing Asian markets – where B.C. coal, copper and other mined commodities are supporting the world's largest-ever urbanization. This growth is expected to generate revenue estimated at $1.6 billion per year once the projects are fully operational, creating approximately 1,800 new jobs, and sustaining more than 5,000 direct-mining jobs in the province.

B.C. is blessed with deposits of coal, copper, gold, molybdenum, silver, lead and zinc. By responsibly mining these, we can reach our investment goals and create new jobs and economic opportunities—while protecting the environment and building a better quality of life for future generations.

British Columbia is a national leader in mining and mineral production, with gross revenues estimated at $8.6 billion in 2011/12, of which the Province received more than $357 million in direct revenue. Mineral exploration spending exceeded $460 million in 2011, an increase from $374 million in 2010—and 1,300 per cent more than a decade ago.

We are ensuring that BC Hydro rates remain among the lowest in North America, while making unprecedented investments in our electricity system. One of these investments is the Northwest Transmission Line, which has the potential to attract $15 billion in investment and create more than 10,000 jobs over the next few decades. Another is the proposed Site C dam and hydroelectric generating station on the Peace River, which would be a source of clean, reliable

and cost-effective electricity for more than 100 years. It would provide enough electricity to power the equivalent of 450,000 homes in B.C., and create an estimated 7,000 person-years of direct construction employment and up to 35,000 direct and indirect jobs through all stages of development and construction. These investments, along with competitive power procurement from clean and renewable sources, as well as an expanded commitment to energy efficiency and conservation, will help B.C. to continue to provide reliable, cost-effective and clean electricity to meet growing demand.

The Government supports energy efficiency, and introduced the new *Energy and Water Efficiency Act*, which will lower consumers' energy bills by improving energy efficiency standards for products ranging from windows to digital cable boxes. The LiveSmart BC residential and small businesses programs continue to provide incentives to help families save energy and money.

The Office of Housing and Construction Standards has an important role in the housing market and construction sector. Working with industry and local governments, we continue to explore ways to modernize the building regulatory system and establish a uniform building code that will encourage innovation and improve housing affordability. We have introduced improved regulations governing strata corporations to help more than half a million strata owners in the province. The Residential Tenancy Branch helps protect landlords and tenants through information, education and a dispute resolution process that balances the rights and responsibilities of all parties in a tenancy agreement. Through Housing Matters BC, our comprehensive housing strategy, we continue to improve the lives of British Columbians by providing safe, affordable housing options - from supportive housing for those who are homeless to affordable rentals for individuals, seniors and families with lower incomes. More than 97,000 B.C. residents benefit from provincial housing programs and our strong partnerships with local governments and community organizations continue to help increase the available housing options in B.C.

The Ministry remains committed to managing the liquor and gaming industries to protect public interests and ensure public safety. It is working to better ensure that liquor licensees and staff do not serve or sell liquor to minors, and that minors are prevented from entering age-restricted gaming facilities. We are providing more flexibility for movie and live-event theatres, by allowing them to apply for a licence to serve alcohol during the screening of a film, and by permitting caterers to acquire a liquor licence. The Ministry is also part of efforts to prevent and deter money-laundering in gaming facilities in the province.

The *Ministry of Energy and Mines and Minister Responsible for Housing 2011 12 Annual Service Plan Report* compares the actual results to the expected results identified in the Ministry's *2011 12 - 2013 14 Service Plan*. I am accountable for those results as reported.

Honourable Rich Coleman
Minister of Energy and Mines and Minister Responsible for Housing
June 30, 2012

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Highlights of the Year

As part of *Canada Starts Here: The BC Jobs Plan*, in February 2012 the British Columbia Government launched two complementary strategies: the natural gas strategy and the liquefied natural gas (LNG) strategy. Global trade in LNG is expected to grow by 50 per cent by 2020, and the Ministry has been working hard to build a whole new industry aimed at exporting LNG, especially to Asia. By exporting LNG, world-wide greenhouse gas emissions will be lowered as B.C.'s natural gas increasingly displaces the use of other higher emission power sources, such as coal and diesel. Establishing a liquefied natural gas industry in British Columbia moved a major step closer to reality on October 13, 2011 when the National Energy Board approved a 20-year export licence for the Kitimat LNG facility – the first licence of its kind in Canada. The Kitimat LNG facility will create approximately 1,500 person-years of work during its construction phase and 120-140 permanent positions once the terminal is in operation. Development of LNG is expected to produce approximately $20 billion in new private sector investment, for upstream natural gas exploration and development, pipelines and plants in the province. In February 2012, Mitsubishi Corporation of Japan announced it was investing $2.9 billion in the Montney natural gas plays in northeast British Columbia.

In February 2012, the Province amended its self-sufficiency policy to require BC Hydro to meet customer demand on an average water year, instead of historically low water levels. This change ensures that BC Hydro customers will continue to pay some of the lowest prices for electricity in North America as economic growth under the *BC Jobs Plan* spurs greater electricity demand.

On July 21, 2011, the Energy Efficiency Standards Regulation was amended, setting new energy efficiency requirements for televisions manufactured on or after January 1, 2012, and for compact audio and video products manufactured on or after January 1, 2013. The new requirements are expected to reduce electricity demand in B.C. by 390 gigawatt-hours in 2020. This is equivalent to the total energy demand (including heating) of 22,000 households. On January 1, 2011, new lighting efficiency standards took effect for 75 and 100 watt equivalent light bulbs. In March 2012, the regulation was amended to harmonize BC's efficiency standards for 40 and 60 watt equivalent light bulbs with the federal government's December 31, 2014 effective date.

The LiveSmart BC: Efficiency Incentive program offers homeowners partial cost coverage of a baseline energy efficiency evaluation of their home and incentives for energy efficiency upgrades. On April 1, 2011, program incentive levels for the next two years were announced. The new incentives put more emphasis on building envelope upgrades (insulation, windows, doors and air sealing) and encourage homeowners to use certified installers, improving the quality and value of the work done. In 2011/12 the program invested $16.9 million for over 27,500 energy assessments and over 18,000 incentives. It is estimated that these participants will reduce their CO_2 emissions by over 47,000 tonnes annually.

The Infrastructure Royalty Credit Program continued in 2011, its tenth year of operation. This program supported development of 30 new and upgraded road and new pipeline projects in northeast B.C. – creating more year-round jobs and business opportunities for B.C. families in the province's petroleum and natural gas sector.

In January 2012 the Oil and Gas Commission launched FracFocus.ca, an online registry – accessible to everyone – that allows visitors to search locations of shale gas developments, and the additives used during hydraulic fracturing of oil and gas deposits. This initiative supports the Province's commitment to open and transparent government. It also builds upon the pledge to British Columbians that water is protected by strict regulations and containment procedures. B.C. has never had an incident of water contamination resulting from hydraulic fracturing, and the Ministry is taking steps to prevent this from happening.

In 2011/12, the auction of Crown subsurface petroleum and natural gas rights realized Government revenues totalling $286.6 million, at an average price of $1,322 per hectare. In July 2011, the Province received approximately $220,000 from the sale of subsurface geothermal rights. In addition, the Province received hundreds of millions of dollars in oil and gas royalties. Revenue from royalties and from the sale of subsurface rights supports important programs such as health and education.

Mining exploration spending in B.C. grew for the second consecutive year in 2011, to an estimated $463 million, an increase of 35 per cent from 2010. In the same period, the total sales value of minerals produced in the province grew to an estimated $8.6 billion, an increase of more than 20 per cent.

On August 18, 2011, Copper Mountain Mine, near Princeton, celebrated its grand opening, and is expected to produce more than two billion kilograms of copper over its 17-year life. On December 8, 2011, the Ministry announced the awarding of a *Mines Act* permit to the Barkerville Gold Mine, outside Wells. On December 30, 2011, the Ministry approved a *Mines Act* permit for a large expansion to the Huckleberry copper and molybdenum mine in west central B.C.

In 2011, B.C. exported approximately $5.8 billion worth of coal, much of which was metallurgical (steel-making) coal destined for Asian markets. In November 2011, Chinese companies announced plans to invest a total of $1.36 billion in coal mine developments in northeastern B.C., setting the stage for additional economic opportunities and thousands of new direct and indirect jobs. The Ministry actively participated in the Premier's November 2011 trade mission to Asia and works closely with the Ministry of Jobs, Tourism and Innovation to market B.C. mineral exploration and mining abroad. Many of B.C.'s mined products are exported to Asia Pacific countries, including China and Japan, and with rapid growth continuing to take place in Asia, demand in that region is expected to remain high.

In March 2012, the Residential Tenancy Branch levied its first administrative penalty of $115,000 against a landlord for failing to comply with an order of a dispute resolution officer under the *Residential Tenancy Act*.

In December 2011, the Ministry introduced regulations requiring depreciation reports for strata corporations. The new regulations were developed in consultation with the strata community, including: condominium owners' associations, strata owners, strata council members, legal experts, professionals and the public. The depreciation reports will help strata corporations plan for future repair and maintenance costs. They have been described by stakeholders as the most significant change to the strata sector since the *Strata Property Act* was introduced.

About 97,000 households throughout B.C. were assisted through subsidized housing in 2011/12. This accounts for almost six per cent of all housing in the province and includes approximately 26,500 low-income households receiving rental assistance in the private market.

On August 24, 2011, the Gaming Policy and Enforcement Branch announced a comprehensive anti-money laundering strategy by moving away from a cash basis as quickly as possible, and by scrutinizing the remaining cash for appropriate action.

The Liquor Control and Licensing Branch continues to use the Minors as Agents Program to monitor compliance with the legislative prohibition against selling liquor to minors. Initial results of the program have shown that it has been very successful in decreasing sales to minors in liquor retail stores.

Green jobs for First Nations

First Nations interested in developing clean energy projects can now get assistance from B.C.'s First Nations Clean Energy Business Fund, announced in April 2011. The fund was created as part of the Clean Energy Act. *"More than 125 First Nations are engaged in energy projects", said Rich Coleman, Minister of Energy and Mines. "This fund will encourage more First Nations to become part of B.C.'s energy future and drive investment in clean, renewable energy projects."*

Purpose of Ministry

The Ministry of Energy and Mines (Ministry) is the key provincial ministry responsible for British Columbia's energy and mining sectors. These sectors cover both public and private interests that explore for, develop and use oil and gas, electricity, clean or renewable energy (biomass, biogas, geothermal, hydro, solar, ocean, wind or any other prescribed alternative energy resource), coal, minerals, and renewable and low carbon fuels. Through teamwork and positive working relationships with its clients, the Ministry facilitates B.C.'s thriving, safe, environmentally responsible and competitive energy and mining sectors to create jobs and economic growth in communities. In developing energy and mining sector policies, legislation and guidelines, the Ministry consults with other ministries and levels of government, energy and mining companies, First Nations, communities, environmental and industry organizations and the public.

A key component of the Ministry's mandate is to develop tenure, royalty and regulatory policy for British Columbia's oil and gas industry, thereby ensuring the effective and environmentally responsible management of the province's oil and gas resources. The Ministry provides a range of oil and gas related services, including the issuance of Crown subsurface resource rights, royalty programs, public geoscience and policies to address potential future resource opportunities, such as unconventional oil and gas resource development.

Working with its stakeholders, the Ministry develops policies, programs and legislation to maintain B.C.'s mining sector competitiveness and encourage investment in mineral exploration and mining in the province. The Ministry develops and maintains geoscience databases and surveys, and provides funding to other organizations to collect and publish geoscience information. The Ministry is responsible for permitting and inspecting major mining projects, promoting mineral exploration and providing assistance and advice to promote and support continued development of the sector.

The Ministry develops and oversees British Columbia's policies with regard to electrical power generation and transmission. The Ministry is responsible for initiatives that promote new energy technologies, energy efficiency and conservation, and alternative energy resources. The *Clean Energy Act* builds upon B.C.'s unique wealth of clean, renewable energy resources and sets the foundation for significant investments in clean, renewable energy across the province while keeping electricity rates affordable for British Columbians. Through the Innovative Clean Energy Fund, the Ministry is helping to invest in new technologies to respond to British Columbia's energy and environmental challenges.

The Ministry strives to ensure that British Columbians have access to safe, affordable and appropriate housing through market and non-market housing policy and programs, building and safety policy and the development of technical codes and standards, and services for landlords and tenants. With regard to housing issues, the Ministry's stakeholders are the citizens of British Columbia and their representatives at all levels of government, First Nations, community groups,

non-profit societies, schools, service organizations, businesses and industry associations. Key to the Ministry's success is its ability to maintain strong, collaborative relationships with stakeholders, partner agencies and other levels of government.

The Ministry works with its stakeholders and partners on liquor licensing, enforcement and distribution as well as gaming policy, regulation and enforcement, problem gambling programs, licensing of charitable gaming, and oversight of horse racing.

The Ministry is responsible for administering all or parts of 42 statutes pertaining to the energy, mining, gaming, liquor distribution, and housing and construction sectors, and has policy responsibilities under the *Utilities Commission Act*. The Minister is responsible for the following five Crown Corporations: the British Columbia Hydro and Power Authority (BC Hydro), the Columbia Power Corporation, the Oil and Gas Commission, the British Columbia Housing Management Commission (BC Housing), and the British Columbia Lottery Corporation. The Minister also has responsibility for the Liquor Distribution Branch, and the Gaming Policy and Enforcement Branch.

An energy efficient Hupacaseth First Nation new home in Port Alberni, designed by the community.

Strategic Context

British Columbia's real GDP increased by 2.9 per cent in 2011 (according to preliminary GDP by industry data from Statistics Canada), following growth of 3.0 per cent in 2010. Overall in 2011, most indicators of British Columbia's economic performance showed improvement compared to the previous year. Gains in the domestic economy were observed in employment and consumer spending, while external gains were made in exports and shipments of manufactured goods. However, several risks to British Columbia's economy remain, including the European sovereign debt crisis, ongoing weakness in the US economy, exchange rate volatility, and slower than anticipated Asian demand for BC products.

British Columbia has abundant energy and mineral resources and innovative, growing energy and mining sectors. B.C. also has robust buildings in which our citizens live, learn and work, supported by a vibrant housing and construction sector.

The energy and mining sectors featured prominently in *Canada Starts Here: The BC Jobs Plan*, released by the Premier in September 2011. During 2011/12, the Ministry worked with natural resource sector agencies, communities, First Nations, industry and environmental organizations to ensure that the continued growth, exploration and development of our energy and mining sectors and resources are socially and environmentally responsible.

Clean hydroelectric power, along with other renewable sources such as wind power and biomass, meets over 93 per cent of British Columbia's electricity needs. British Columbia is also offsetting two-thirds of its electricity demand growth through efficiency and conservation measures. BC Hydro has provided relatively low-cost power to the citizens of B.C. for more than 50 years, thanks to the Province's heritage assets, which include historic electricity facilities such as the major dams on the Peace and Columbia Rivers. The establishment of the Heritage Contract ensures that B.C. ratepayers continue to benefit from the low-cost electricity generated by these assets.

During 2011/12, the price of natural gas fell 53 per cent. On April 1, 2011, the spot price for natural gas was $4.31 per million British Thermal Units (BTUs). By March 31, 2012 it had fallen to $2.02 per million BTUs. The Province has significant shale and tight gas deposits—such as in the Horn River and Montney areas of Northeast B.C.—and the Government is stimulating the demand for B.C.'s natural gas by promoting the export of liquefied natural gas (LNG) to Asia. LNG provides an abundant, lower carbon fuel for electricity generation and transportation, and can displace coal and oil, which have higher emissions. LNG development in B.C. can have lower lifecycle greenhouse gas emissions than anywhere else in the world by promoting the use of clean electricity to power LNG plants and drive the liquefaction process. British Columbia has many strategic advantages fostering the development of an LNG industry, but must ensure its competitiveness with other natural gas producing jurisdictions that are also working to attract LNG export investments. As described in "Liquefied Natural Gas: A Strategy for B.C.'s Newest

Industry," the development of liquefied natural gas export capacity in B.C. to access stronger markets in Asia is critical to sustaining the growth of B.C.'s natural gas industry.

In 2011, B.C.'s mining sector had a production value of $8.6 billion. In 2011, more than 29,000 people in more than 50 communities throughout the province were employed in mineral exploration, mining, smelting, refining and mineral processing. The B.C. mining sector invested more than $2 billion in 2011, an increase of $700 million from the previous year, to upgrade capital equipment, expand existing operations and develop new mines. In addition, preliminary estimates indicate that mineral exploration spending topped $460 million in 2011. All of this speaks to the strength of the province's exploration and mining industry. Gold prices continued to climb in the first part of the year, reaching an all-time high of $1,895 per troy ounce in August 2011; however prices have fallen since January 2012.

In 2011/12, Government played a key role in facilitating investment in B.C. mines, mineral exploration, and oil and gas projects through trade and investment missions to Asian countries such as Japan, Korea, China and India. British Columbia, in particular Vancouver, is the centre of one of the world's largest pools of international expertise in geology, mine engineering, project financing, and environmental sustainability.

The private market serves the housing needs of the vast majority of British Columbians. During 2011/12, the Ministry continued to work with local government and other key stakeholders to increase the supply of small, low-cost housing. With approximately one million British Columbians now living in strata properties, and with stratas making up more than half of new residential construction, the need to ensure effective strata regulation and self-governance is increasingly important.

The increasing complexity of gaming continued to pose new regulatory and enforcement challenges. The introduction of new internet gaming components such as eBingo and gaming on mobile devices, marked significant milestones in the evolution of the gaming industry, requiring regulatory and enforcement practices to evolve along with the industry. The Ministry also focussed on balancing the competing interests of manufacturers, licensees and the majority of the population who consume liquor responsibly with the need to protect the public from the costs and harms of the minority who cause alcohol related harm. The Stanley Cup riot in June 2011 and the subsequent recommendations of the independent riot review report marked a significant milestone in the evolution of liquor regulation, requiring the development of a cross agency response to ensure the safe enjoyment of public celebrations.

Live event venues get more flexibility for liquor licences

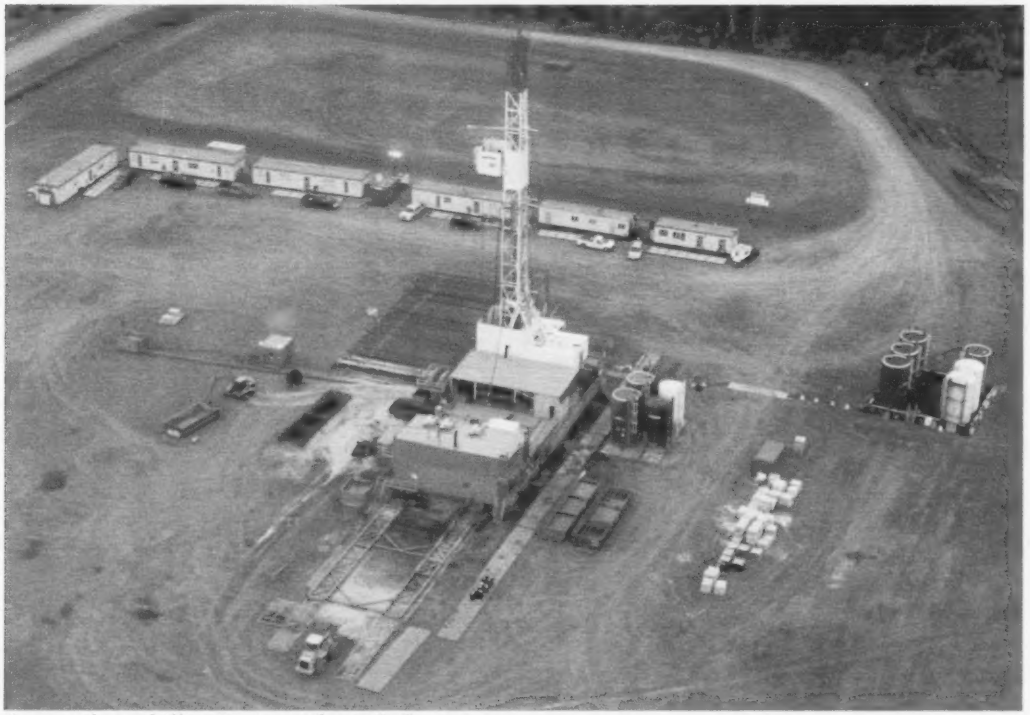
"The Province made liquor licences more flexible for venues that host live events", Rich Coleman, Minister of Mines and Energy announced in February 2012. "The change allows licence holders to screen films and broadcast pay-per-view programs outside the hours described in their liquor licences. As a result, licence holders throughout British Columbia have greater flexibility in the types of entertainment they can offer."

Report on Performance

The Ministry has a strong commitment to continuous improvement. Several performance measures from the 2010/11 Service Plan have been modified in order to provide more meaningful data to track Ministry progress.

Several performance measures in the Ministry's *Revised 2011/12 Service Plan* published in May 2011 were added to or changed from those of the Ministry's 2010/11 Service Plan released in February 2010. One of the housing measures was changed from "Percentage of homeless individuals accessing housing who remain housed six months after placement" to "Percentage of clients belonging to priority groups in subsidized housing." The measure from the 2010/11 Service Plan "Annual investment in mineral exploration and mines" has been replaced by three new measures: "Sales value of products sold from mines, pits and quarries;" "B.C. share of Canada's exploration spending;" and "Direct government revenue from mining." On February 8, 2012, responsibility for gaming and for liquor control and licensing was transferred to the Ministry. As a result, two measures, the "Gaming policy and enforcement service score percentage," and the "Percentage of inspected/investigated liquor licensees in compliance," are added to the 2011/12 Annual Service Plan Report.

The remaining performance measures were carried forward from the Ministry's 2010/11 Service Plan, in an effort to preserve the year-on-year stability of performance tracking and reporting.



A natural gas drilling rig in northeast B.C.

Report on Performance

Performance Results Summary Table

Goal 1: Thriving and competitive energy and mining sectors For greater detail see pages 16 to 22	2011/12 Target	2011/12 Actual
1.1 Increased energy sector investment, revenue generation and job creation for the long term benefit of all British Columbians		
Annual Investment in Petroleum and Natural Gas Exploration and Development	$5.0 BILLION	$6.1 BILLION (ESTIMATE) EXCEEDED
Annual Investment in Electricity Facilities	$2.5 BILLION	$2.5 BILLION (ESTIMATE) ACHIEVED
1.2 Increase mineral exploration and mining activities in B.C.		
Sales value of products sold from mines, pits and quarries	$6.1 BILLION	$8.6 BILLION EXCEEDED
B.C. share of Canada's exploration spending	12.6%	15.5% EXCEEDED
Direct government revenue from mining ($ millions)	$493 MILLION	$357.7 MILLION NOT ACHIEVED
1.3 An increasingly secure, reliable supply of energy for the long term benefit of all British Columbians		
1.4 Efficient and effective fiscal, legislative and regulatory frameworks and services that reflect the public interest, and enhanced social and economic benefits for all British Columbians		
1.5 Greater public awareness of the benefits of energy exports		
Goal 2: Safe and environmentally responsible energy and mineral resource development and use For greater detail see pages 23 to 28	**2011/12 Target**	**2011/12 Actual**
2.1 Practices that protect the public and the environment		
Number of new or existing mine sites adopting (TSM) sustainable measures	10	DATA NOT AVAILABLE
Short term injury rate at B.C. mines	1.8	1.8 (ESTIMATE) ACHIEVED

2.2 Increased energy conservation and use of alternative, clean energy and fuels, and efficient technologies		
Investment leverage ratio	3:1	4:1 EXCEEDED
Energy saved by LiveSmart participants	27%	25% SUBSTANTIALLY ACHIEVED
Total energy savings achieved each year through electric utility and provincial conservation policies, programs and regulations	4,729,427 GJ	5,207,256 GJ EXCEEDED
Goal 3: The Ministry, stakeholders, First Nations and industry working cooperatively for the responsible development and use of British Columbia's energy and mineral resources For greater detail see pages 28 to 29	**2011/12 Target**	**2011/12 Actual**
3.1 A continued strong commitment to environmentally and socially responsible development through appropriate and timely engagement of First Nations, the public and stakeholders in energy and mineral resource development		
3.2 Enhanced stakeholder awareness of resource opportunities and the benefits of their responsible development and use		
Goal 4: Safe and sustainable homes for all British Columbians For greater detail see pages 29 to 31	**2011/12 Target**	**2011/12 Actual**
4.1 Access to safe and stable housing		
Percentage of clients belonging to priority groups in subsidized housing	84	88 EXCEEDED
Number of residential tenancy dispute resolution requests per 1,000 British Columbia adult population (over age 19)	6.0	5.9 EXCEEDED
4.2 Safety and environmental sustainability in the design, construction and occupancy of buildings		
Goal 5: Sound regulatory measures to promote responsible liquor licensing and gaming, consumer protection and fair business practices in British Columbia For greater detail see pages 32 to 34	**2011/12 Target**	**2011/12 Actual**
5.1 Comprehensive and responsible gaming regulatory framework and programs		
Gaming policy and enforcement service score percentage	84	90 EXCEEDED
5.2 Effective licensing and inspection of liquor licensees		
Percentage of inspected/investigated liquor licensees in compliance	95	96 EXCEEDED

Goals, Objectives, Strategies and Performance Results

Goal 1: Thriving and competitive energy and mining sectors

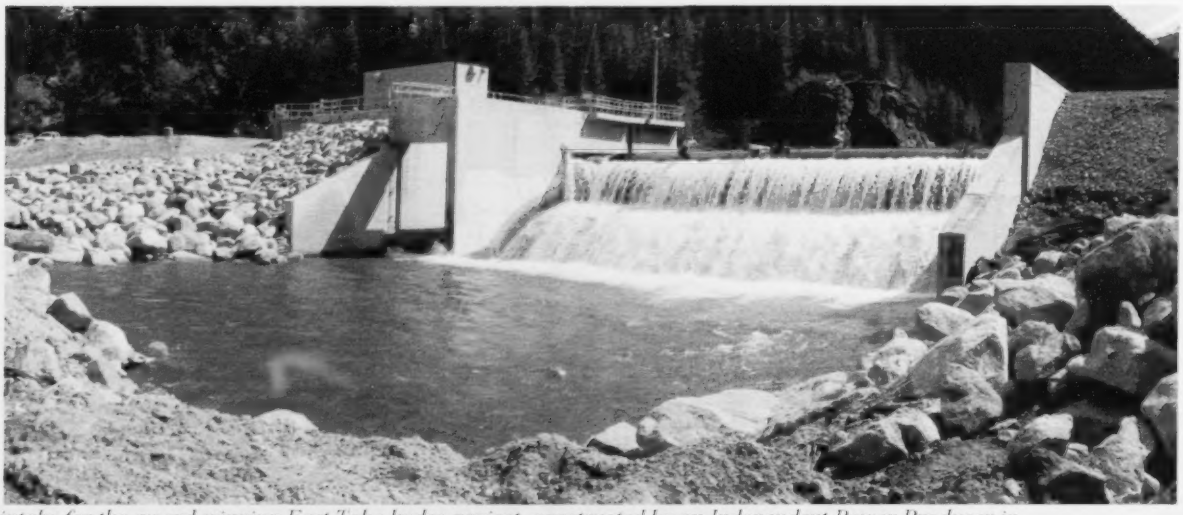
Objective 1.1: Increased energy sector investment, revenue generation and job creation for the long-term benefit of all British Columbians

Long term investment in the energy sector contributes to stability and predictability, allowing the industries to grow and prosper.

A challenge to achieving this objective is that demand for energy can be cyclical, affecting the price of electricity, natural gas and other energy resources, and thus the level of investment in the sector. Financial costs and currency fluctuations also impact investment levels.

Strategies

- Attract investment by continuing to work with industry to develop and implement focused marketing and investment programs to showcase British Columbia as a centre of excellence for energy resource and technology development.
- Further establish British Columbia as a recognized centre for energy innovation and technology research, education and demonstration, in collaboration with industry, post-secondary institutions, the federal government and provincial agency partners.
- Improve the competitiveness of British Columbia's energy sector by providing leadership, information, investing in infrastructure, and developing new policies, regulations and programs.
- Support unconventional petroleum and natural gas development and exploration by modernizing the petroleum and natural gas rights disposition processes.
- Conduct energy related geoscience research and technical assessments to promote and support the petroleum and natural gas energy and geothermal industries in B.C. while also contributing baseline data to support the protection of environmental values.



The intake for the award-winning East Toba hydro project, constructed by an Independent Power Producer in partnership with the Klahoose First Nation. The facility delivers 715,000 megawatt hours per year of clean power.

Performance Measures 1 and 2: Annual investment in the energy sector

Performance Measure	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual
Annual Investment in Petroleum and Gas Exploration and Development[1]	$5.2 BILLION	$7.1 BILLION	$5.0 BILLION	$6.1 BILLION (ESTIMATE) EXCEEDED
Annual Investment in Electricity Facilities[2]	$2.8 BILLION	$2.7 BILLION	$2.5 BILLION	$2.5 BILLION (ESTIMATE) ACHIEVED

Data Sources:

[1] Data analysis by Ministry of Energy and Mines based on Canadian Association of Petroleum Producers data for previous years. Estimates are for the 2011 calendar year.

[2] Data analysis by Ministry of Energy and Mines and B.C. public utilities. The data for 2011/12 is expected by late May, following the availability of figures from the utilities. Estimates provided by fiscal year.

Discussion of Results

Annual investment in oil and gas exploration and development is comprised of industry investment in geophysical and geological surveys, exploratory and production wells, pipelines and processing plants owned by producers. Used domestically for heating and cooking purposes, natural gas also has a wide range of commercial and industrial uses. Increased investment is an indicator of increased production, which expands the supply of gas to residential, commercial and industrial consumers. In addition, oil and gas activities provide jobs for British Columbians, build provincial infrastructure, and provide significant revenue to the Province which supports social programs such as education and healthcare. This measure has been used in past years and continues in the 2012/13 Ministry Service Plan, where it has been revised in name only to annual

investment in petroleum and natural gas exploration and development. The target for 2011/12 is estimated to have been significantly exceeded.

Annual investment in electricity generation and transmission facilities tracks total investment in the electricity sector in British Columbia, including improvement and replacement to existing infrastructure by the major provincial electrical utilities — BC Hydro and Fortis BC — and Independent Power Producers which supply electricity to the utilities. Capital expenditures in the energy sector help ensure a safe and reliable electricity system to meet household, commercial and industrial needs. The electricity sector employs many British Columbians, and the dividends from electricity Crown corporations, and tax, water rental and other revenues from all electricity market participants contribute to important social programs. The measure continues in the *2012/13 Ministry Service Plan*.

Construction continues on the Waneta expansion project, a partnership between Columbia Power Corporation, Fortis Inc. and the Columbia Basin Trust. The new facility is expected to be operational by the spring of 2015.

Objective 1.2: Increase mineral exploration and mining activities in B.C.

Strategies

- Identify issues and opportunities facing the mineral exploration and mining industry in British Columbia and update the 2005 mining plan to address them.
- Gather and utilize information for informed decision making (e.g. Geoscience).
- Encourage mineral exploration.
- Remove barriers to mining investment and create the conditions that encourage investment and development of mineral resources.
- Support the implementation of initiatives that contribute to a globally competitive and sustainable sector.

Performance Measures 3, 4 and 5: Mining sales, exploration spending and government revenue

Performance Measure	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Estimate
Sales value of products sold from mines, pits and quarries[1]	$5.77 BILLION	$7.1 BILLION	$6.1BILLION	$8.6 BILLION EXCEEDED
B.C. share of Canada's exploration spending[2]	11.7%	13%	12.6%	15.5% EXCEEDED
Direct government revenue from mining[3]	$291.5 MILLION	$363.9 MILLION	$493 MILLION	$357.7 MILLION NOT ACHIEVED

Data Sources: [1] Natural Resources Canada and Statistics Canada

[2] Natural Resources Canada Data analysis by the Ministry of Energy and Mines based on calendar year survey results from Natural Resources Canada, Statistics Canada and PriceWaterhouseCoopers

[3] Ministry of Energy and Mines. Forecast and target are based on the January, 2011 Blue Book Budget Estimates Forecast. Mining revenue figures are comprised of free miner certificate fees, mineral title and coal tenure revenues, health and safety inspection fees, and mineral taxes which are collected by the Ministry of Finance.

Discussion of Results

These three performance measures were new for 2011/12. The total value of mineral sales in B.C. indicates the economic impact of mining on the provincial economy. It is measured through surveys conducted by Statistics Canada and Natural Resources Canada and includes the total value of all minerals sold including metals, coal, industrial minerals and construction aggregates. In 2011/12, the estimated result was significantly greater than the target.

Exploration to identify mineral reserves is critical to sustaining the level of mining activity and production. The data sourced from Natural Resources Canada's Survey of exploration spending across all Canadian jurisdictions. This performance measure tracks exploration spending in B.C.

by mining exploration companies and prospectors. Annual spending in B.C. compared to overall spending across Canada as a "per cent share measure" is a reflection of B.C.'s competitiveness in attracting exploration spending to the province. The estimated result for 2011/12 exceeded the target.

Direct government revenue from mining is the revenue collected from mining fees, charges and resource taxes and deposited in the Provincial consolidated revenue fund. Forecasts of revenue and setting of targets are based on analysis of mining and mineral exploration activity under prevailing and forecast economic conditions. The estimated results for 2011/12 did not achieve the target. This is likely the result of several factors, including the downturn in some mineral prices during the second half of the year, higher capital expenditures and higher than expected operating costs.

Objective 1.3: An increasingly secure, reliable supply of energy for the long term benefit of all British Columbians.

A secure and reliable supply of energy contributes to economic growth and stability for British Columbians.

Energy supply is influenced by a number of factors outside the Province's control, including world economic growth cycles, regional and global market demand, supply and prices, interest rates, and exchange rates.

Strategies

- Work with BC Hydro to upgrade the Province's Heritage generation, transmission and distribution assets.
- Ensure electricity self-sufficiency through innovative, aggressive conservation, competitive power procurement programs, and BC Hydro's own projects.
- Diversify and reduce the carbon intensity of British Columbia's energy supply, including the use of biofuels, the implementation of a low carbon fuel requirement, expanded natural gas use, and increased supply of clean electricity from projects such as the 335 megawatt Waneta hydroelectric expansion project.
- Work with BC Hydro to advance electricity self sufficiency and respond to British Columbia's other energy objectives through the development of its Integrated Resource Plan.

The 102 megawatt Bear Mountain Wind Park, near Dawson Creek, which includes 34 windmill towers, has been operational since 2009.

Objective 1.4: Efficient and effective fiscal, legislative and regulatory frameworks and services that reflect the public interest, and enhanced social and economic benefits for all British Columbians.

An efficient and effective royalty and policy framework for the energy and mining sectors enhances competition and encourages the investment necessary to prosper.

Competition with other jurisdictions for investment requires ongoing monitoring and progress in regulatory reform, fee and licence reviews, and policy development.

Maintaining the balance between the interests of local residents and resource developers is a shared objective of residents, regulators, provincial ministries and industry.

Strategies

- In cooperation with other levels of government, continue to review regulations to ensure British Columbia remains competitive, while maintaining the integrity of environmental, health and safety standards.

- Expand and improve online service delivery, for example by leading the development of the Integrated Petroleum System that will replace current legacy platforms.
- Manage the oversight of the Columbia River Treaty to ensure the value of downstream power benefits continues to be realized.
- Implement new regulations for renewable and reduced carbon intensity of transportation fuels under the *Greenhouse Gas Reduction (Renewable and Low Carbon Fuel Requirements) Act*.
- Consult with the Oil and Gas Commission, the Ministry of Forests, Lands and Natural Resource Operations, other government agencies, industry, First Nations and stakeholders to identify and resolve any issues arising from the implementation of the *Oil and Gas Activities Act*.
- Facilitate the efficient and effective implementation of the *Clean Energy Act* by developing and implementing appropriate regulations.

Objective 1.5: Greater public awareness of the benefits of energy exports.

Increased awareness of the benefits derived from energy exports is one element that contributes to public acceptance of the energy sector and its role in a competitive, global economy. The energy sector contributes significant revenues to the government which are used to fund public services such as healthcare and education.

Strategies

- Provide information to, and foster engagement with, the public, stakeholders, industry and other government partners about the benefits of environmentally and socially responsible resource development and exploration, and opportunities for energy conservation.
- Work cooperatively with other ministries and partners to increase provincial awareness of energy development and exploration as well as export opportunities.
- Pursue financial and cooperative renewable energy partnerships with industry, such as those with clean and renewable electricity producers, the public and other levels of government.

Goal 2: Safe and environmentally responsible energy and mineral resource development and use.

Objective 2.1: Practices that protect the public and the environment.

Operations at major mines, electricity generating stations and transmission facilities and petroleum and natural gas exploration, pipeline and processing sites can be hazardous, and can have an impact on the environment if not properly managed. Practices that safeguard the public and the environment contribute to environmentally responsible development and use of these resources.

The threat of accidents, leakages and spills is always present, so ongoing policy development and education are necessary to ensure these are minimized.

Strategies

- Explore further opportunities to expand environmentally responsible energy and mineral resource development and exploration, in partnership with industry and other government organizations.
- In cooperation with industry, enhance collaboration to improve environmental and safety regulation compliance through inspections and audits.

Performance Measures 6 and 7: Mine sustainability and safety

Performance Measure	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual
Number of new or existing mines sites adopting (TSM) sustainable measures[1]	DATA NOT AVAILABLE[2]	5	10	DATA NOT AVAILABLE[3]
Short term injury rate at B.C. Mines[4]	1.28	1.14	1.8	1.8 (ESTIMATE) ACHIEVED

[1] Data source: Mining Association of B.C.

[2] This measure was new for the 2011/12 Service Plan.

[3] The actual results are expected in the Fall 2012. This measure has been suspended for the 12/13 Service Plan.

[4] Data source: Ministry of Energy and Mines staff analysis of WorkSafeBC data for previous years. The forecast and targets are calculated by dividing the number of accident claims (as reported by WorkSafeBC) by 100 person years to result in the rate of short term injury per year. A person year is the amount of time an employee works in one year — using 2,000 hours as the average number of hours. Forecasts and targets are expressed by calendar year and are based on the calculation of a 10 year rolling average. The use of a 10 year rolling average smooths out statistical anomalies caused by significant single events. The measure captures open pit coal and metal mines, quarries and underground mines. As a result, the measure and targets are an accurate representation of the accident rate for the sector.

Discussion of Results

The number of new or existing mines adopting "Towards Sustainable Mining" (TSM) measures was new for 2011/12. The Mining Association of B.C. (MABC) adopted—and is encouraging its

member mining companies to adopt—the provincially developed TSM check list. The list has multiple levels of "sustainable activities" at mine sites. This measure counts the number of mine sites which have adopted TSM at any level and reported their results to MABC. TSM provides a way of finding common ground with communities of interest in order to build a better mining industry. TSM is based on a set of guiding principles that are in turn supported by performance elements and indicators that include operational, environmental and corporate sustainability.

The short term injury rate at B.C. mines target reflects the anticipated average number of accident claims per year at B.C. mines, including open pit coal mines, open pit metal mines and underground mines, per 100 person years. As new mines open in the province, the mining workforce will be larger and have a greater percentage of workers who are new to mining operations. Enhanced health and safety training and inspections will be required to maintain mining as one of B.C.'s safest heavy industries. The measure continues in the 2012/13 Ministry Service Plan. Preliminary estimates indicate that the short-term injury rate target of 1.8 for 2011/12 was achieved, but the actual statistics from WorkSafeBC will not be available until July 2012.

A team competes in the 56th Annual Mine Rescue and First Aid competition, held in Revelstoke in June 2011

Objective 2.2: Increased energy conservation and use of alternative, clean energy and efficient technologies

Retrofitting or constructing new energy efficient buildings, and promoting the deployment of alternative energy technology, contributes to environmentally responsible energy development and use. The Government plays a key role in providing information to the public about practical conservation initiatives, establishing new standards through the BC Building Code and *Energy Efficiency Act* and encouraging the private sector to develop alternative energy sources.

The up-front expense of retrofitting existing homes and buildings to conserve energy, as well as the expense of material and equipment for energy efficient new buildings, will be fully recovered over time through lower energy bills.

British Columbia has a number of alternative energy options such as solar, tidal, biomass, wave, geothermal and wind power. These sources of alternative energy are renewable and can complement existing electricity generating facilities and heating and transportation fuels.

Strategies:

- Support energy utilities with the implementation of cost effective demand side management measures.
- Participate in and support long-term clean energy planning initiatives at the regional and provincial level, including the Western Renewable Energy Zones initiative and BC Hydro's Integrated Resource Plan.
- Work with the Climate Action Secretariat, other government ministries and agencies, Crown Corporations, the public, electricity producers and utilities across British Columbia to implement a coordinated and focused approach to energy conservation and efficiency measures and support deployment of alternative energy options to meet the province's energy needs.
- Continue to support energy efficiency in homes and buildings through the LiveSmart BC: Energy Efficiency Program which provides one-stop access to provincial and utility programs.
- Introduce a new LiveSmart Small Business program to reach more than 4,000 small businesses with energy assessments, direct installation and incentives.
- Continue to implement the Energy Efficient Buildings Strategy: More Action, Less Energy which has among the most aggressive energy efficiency targets in Canada.
- Position natural gas as an abundant, clean-burning alternative to diesel and other hydro-carbon fuels, as natural gas has fewer pollutants and lower carbon dioxide emissions.
- Ensure the procurement of clean and renewable electricity continues to account for at least 93 per cent of total generation.

- Continue to advance the development of a hydrogen economy by promoting the hydrogen fuel cell industry and other technology that supports alternative energy.
- Continue to implement the BC Bioenergy Strategy to take advantage of B.C.'s abundant sources of beetle-killed timber, wood wastes and agricultural residues.
- Improve energy efficiency in homes, buildings and industry by implementing new standards under the *Energy Efficiency Act* to increase the minimum performance levels for manufactured building components and equipment.
- Work with industry to identify disposal zones for CO_2 sequestration.
- Work with industry and BC Hydro to promote greater use of electricity to power natural gas processing facilities in northeast B.C.
- Through the Innovative Clean Energy Fund (ICE Fund), accelerate the development of new energy technologies with the potential to solve real, everyday energy and environmental issues and create economic benefits for all British Columbians.

Performance Measure 8: Investment ratio

Performance Measure	2008/09 Benchmark	2010/11 Actual	2011/12 Target	2011/12 Actual
Investment leverage ratio	2:1	3:1	3:1	4:1[1] EXCEEDED

Data Source: Ministry of Energy and Mines Staff analysis.

[1]Value based on data from First, Second, Third Call and Liquid Biofuels projects.

Discussion of Results

The Innovative Clean Energy (ICE) Fund accelerates the development of new energy technologies that have the potential to solve real, everyday energy and environmental issues and create socio-economic benefits for all British Columbians. The ongoing target is to optimize government's investment in clean energy technologies by encouraging project proponents to use the ICE Fund to leverage other sources of public and private-sector funding. The measure is calculated in a way that is consistent with the leveraging calculation methodology applied by other funding programs: (Total Project Value minus Total ICE Funding) / Total ICE Funding. This methodology is also applied to forecasts and performance targets. The target was exceeded.

Performance Measures 9 and 10: Energy savings

Performance Measure	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual
Energy saved by LiveSmart participants	N/A[1]	25%	27%	25% SUBSTANTIALLY ACHIEVED
Total energy savings achieved each year through utility and provincial conservation policies, programs, and regulations[1]	3,805,448 GIGAJOULES	3,640,252 GIGAJOULES	4,729,427 GIGAJOULES	5,207,256 GIGAJOULES EXCEEDED

Data Sources: BC Hydro, Ministry of Energy and Mines Survey.

[1]This measure was new for the 2011/12 Service Plan.

[2]Measured in gigajoules to include both gas and electricity savings. Excludes savings from Fortis BC gas.

Discussion of Results

The LiveSmart BC: Efficiency Incentive Program provides financial support to households for energy assessments and energy efficiency building retrofits. Tens of thousands of British Columbians have displayed their commitment to home energy efficiency through their participation in the program. This performance measure forecasts the average percentage energy savings for program participants resulting from energy efficiency upgrades to their homes. Program participants have their homes assessed by federally-certified energy advisors both before and after efficiency upgrades are undertaken. Examples of eligible home improvements include space heating, water heating, and wall and attic insulation.

These measures are driven by the first nine policy actions of the BC Energy Plan. Targets represent energy savings from the LiveSmart BC: Efficiency Incentive Program, regulated standards under the *Energy Efficiency Act*, green building code changes, and BC Hydro's Power Smart and Fortis BC's PowerSense demand side management programs and conservation/stepped rate participants. Both of these utilities design and direct their energy efficiency programs to three main market sectors — residential, commercial and industrial.

The target for the percentage of energy saved by LiveSmart participants was increased from 2010/11 to 2011/12 because it was projected that improvements to the incentive structure would result in increased energy savings. This improved incentive structure did not result in increased savings, likely because the reintroduction of federal incentives reduced the time period of participation for many participants. However, the percentage of energy savings for LiveSmart participants was equal to that of the previous year, at 25 per cent.

The performance measure for energy savings in gigajoules has been improved by including natural gas savings to the extent possible, rather than only the electricity savings reported in previous years. In order to add two different forms of energy savings, the measure is now in

gigajoules rather than gigawatt hours. By reporting both natural gas and electricity savings, this measure provides a more complete indicator of the performance of the total energy demand side management effort by Government and utilities and their customers. FortisBC Gas is commencing an expanded demand side management program, and its results will be incorporated into future reporting. The measure continues in the 2012/13 Ministry Service Plan. The target was significantly exceeded, mainly due to increased energy savings by several Power Smart Partner Programs.

Goal 3: The Ministry, stakeholders, First Nations and industry working cooperatively for the responsible development and use of British Columbia's energy and mineral resources.

Objective 3.1: A continued strong commitment to environmentally and socially responsible development through appropriate and timely engagement of First Nations, the public and stakeholders in energy and mineral resource development.

If the public, First Nations, landowners and non-governmental organizations are informed and participate in responsible resource exploration and development, they will have an opportunity to help identify and contribute constructively to the resolution of issues and become more aware of the benefits that resource development can provide to a community, such as regular employment for citizens.

Strategies

- Foster working relationships between industry, the public, First Nations and landowners by clarifying and simplifying resource exploration and development management processes, enhancing dispute resolution methods, and offering more support and information.
- Continually examine tenure policies and legislation, and, with the engagement of stakeholders and other ministries, develop new regulations in response to technological and societal changes.
- Work with industry, the Oil and Gas Commission and the public to manage the development of the Horn River Basin and other shale gas plays in a manner that establishes leading North American standards for unconventional gas resources.
- Exchange information with industry regarding Crown petroleum and natural gas rights disposition matters, resolve overlapping requests or parcels that are too large, and negotiate parcel configurations.

Objective 3.2: Enhanced stakeholder awareness of resource opportunities and the benefits of their responsible development and use.

Increased stakeholder awareness of the employment and business opportunities that result from responsible resource exploration and development can enhance cooperation among industry, the public and the Ministry.

The Ministry seeks to reach stakeholders and the public in key energy and mineral producing regions.

Strategies

- Continue to collaborate with other ministries, agencies and Crown corporations to provide information and engage stakeholders to promote awareness and greater understanding of the exploration and development of resources.
- Continue to improve the referral process for Crown petroleum and natural gas rights dispositions to be more responsive to industry, First Nations and community interests.
- Continue support for the annual B.C. Mining and Sustainability Award (implemented in 2006) to recognize the achievements of communities, industry, organizations and individuals.

Goal 4: Safe and sustainable homes for all British Columbians

Objective 4.1: Access to safe and stable housing

Strategies

- Provide policy and funding support for a continuum of social housing, including emergency shelters, subsidized units and private market rental assistance. The support needs of vulnerable citizens are further addressed through the Homeless Outreach Program, supportive housing, transition homes and assisted living.
- Work with local governments and other partners to address local housing challenges and increase the supply of affordable market rental and homeownership units.
- Provide policy development to ensure an effective strata regulatory system, including supporting strata residents with improved dispute resolution mechanisms and financial accountability requirements.
- Provide policy and funding support for transition house and safe house services for women and children who are fleeing domestic violence, as well as for a longer term enhanced continuum of safe housing options, such as second stage housing.

- Assist landlords and tenants to resolve disputes earlier in the resolution process by: increasing public education; working with partner agencies and organizations to expand the availability of consistent information regarding tenancies; and, expanding the triage process and scheduling to ensure landlords' and tenants' enquiries and requests are appropriately addressed.

Performance Measure 11: Priority clients in subsidized housing

Performance Measure	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual
Percentage of clients belonging to priority groups in subsidized housing	N/A	N/A	84	88 EXCEEDED

Data Source: This measure is calculated by taking the current inventory of subsidized housing and determining the percentage of units that are available for each of the designated priority groups

Note: This measure was new for the 2011/12 Service Plan.

Discussion of Results

Tracking the percentage of individuals belonging to priority access groups in subsidized housing allows the Ministry to assess how well it is meeting the goal of improving access to housing and support services for homeless British Columbians.

This performance measure was new in the Ministry's 2011/12 Revised Service Plan. This measure will continue to be monitored as part of the BC Housing Service Plan and Annual Report. The target was exceeded.

As of March 31, 2011, 88 per cent of all households receiving housing assistance were within one of the identified priority groups, exceeding the target of 84 per cent. This increase from 86 per cent from the previous year reflects the creation of new subsidized housing as well as an increase in the number of existing units adapted for higher priority needs.

The actual figures for 2009/10 and 2010/11 show an "N/A" because this performance measure was a replacement for a previous one (percentage of homeless individuals accessing housing who remain housed six months after placement.)

Performance Measure 12: Residential dispute resolution

Performance Measure	2008/09 Baseline	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual
Number of residential dispute resolution requests per 1,000 British Columbia adult population (over age 19)	7.04	5.8	6.1	6.0	5.9 EXCEEDED

Data Source: Ministry of Energy and Mines, Residential Tenancy Branch – Records of dispute resolution requests; Statistics Canada, Catalogue no. 91-215-X, Table 2.1-11

Note: The Actual figure for 2010/11 has changed (from 6.77). This is the result of the difference between population forecasts and the current population estimates.

Discussion of Results

The Ministry provides information about legislation and regulations as well as dispute resolution services to landlords and tenants. Increased accessibility to this information means landlords and tenants are developing more successful tenancies, and have sought formal dispute resolution less often over the past three years. This outcome is reflected in the performance measure.

The Ministry cannot determine the precise number of tenancies in the province, though it is estimated to be approximately one third of the adult population. Tying the number of dispute resolutions to adult population provides a comparable measure across fiscal years, as the number of tenancies increases with population increase. The Ministry influences the performance results by implementing the strategies listed above.

The actual number of requests for dispute resolution per 1,000 British Columbia adults was slightly lower than the target of 6.0. Improvements to public education, along with improved delivery of information by information officers may have resulted in fewer unnecessary applications. The Ministry will continue to emphasize public education and information delivery.

Objective 4.2: Safety and environmental sustainability in the design, construction and occupancy of buildings

Strategies

- Increase the effectiveness of the building regulatory system through consistent application and enforcement of a uniform Building Code.
- Continue to engage stakeholders in the development of the next edition of the BC Building Code, and continue to develop projects for Greening the Code to support improvements in energy and water efficiency.
- Engage Ministry partners and stakeholders in discussions leading to a new vision for the built environment, including ways to streamline processes within the building regulatory system, and explore how technology could be used to increase efficiency.

Goal 5: Sound regulatory measures to promote responsible liquor licensing and gaming, consumer protection and fair business practices in British Columbia

Objective 5.1: Comprehensive and responsible gaming regulatory framework and programs

Strategies

- Ensure all gaming in the province, including gaming conducted over the Internet, is subject to a high level of rigour and scrutiny. In the case of online gaming, this includes certifying and monitoring the online platform, systems upgrades, and all games to ensure technical standards are met.
- Certify all companies, people and equipment involved in gaming and horse racing.
- Conduct regular audits of all commercial gaming venues and investigate all allegations of wrongdoing, to ensure the integrity of gaming and use of proceeds.
- Oversee the regulation and operation of horse racing in the province, including implementing the BC Horse Racing Industry Revitalization Initiative.
- Provide gaming grants to support social programs, community services, local economic development initiatives, local governments and the horse racing industry.[2]
- Continue to develop and enhance the Province's Responsible Gambling Strategy for online players and for those who visit more traditional gaming facilities.
- Implement, evaluate and report on recommendations concerning the lottery retail network made by the Office of the Ombudsperson and the independent auditing firm, Deloitte and Touche LLP.

[2] Responsibility for gaming grants was transferred to the Ministry of Community, Sport and Cultural Development on April 1, 2011.

Performance Measure 13: Gaming policy and enforcement

Performance Measure	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual
Gaming policy and enforcement service score	N/A	81	84	90 EXCEEDED

Data Source: Ministry of Energy and Mines—Gaming Policy and Enforcement Branch

Note: This measure is a score based on the timeliness of response to public applications, communications, and requests, and was new for the 2011/12 Service Plan.

Discussion

The service score was developed as a measure of the ability of the Ministry's Gaming Policy and Enforcement Branch to meet pre-determined standards of timeliness of service to the public.

The score is an average result calculated across the five program areas that have appropriate, measured service standards: audit; licensing and grants; registration; policy; and, problem gambling. Examples of service standards include the percentage of complete applications for lottery retail registration processed within five business days, and the percentage of draft reports of commercial gaming audits issued within 30 days.[3] The service score is a percentage, but it is unlikely that a score of 100 per cent will be achieved due to some measures being impacted by factors outside of the Ministry's control, such as an incomplete application for a gaming event licence. The target was exceeded in 2011/12.

Objective 5.2: Effective licensing and inspection of liquor licensees

Strategies

- Target resources on high-risk establishments and focus inspections and investigations primarily on service to minors, over-service, overcrowding and illicit alcohol.
- Strengthen integrated partnerships with stakeholders, such as local government staff and officials, police and industry members.
- Increase voluntary compliance through expanded provision of education and information to licensees.
- Ensure that only qualified applicants hold liquor licenses and establishment locations are appropriate.
- Ensure regulations, policies and resources are directed at protecting public safety and public interests.

[3] A detailed breakdown of the service score is included in the *Gaming Policy and Enforcement Branch 2011/12 Business Plan*, available at: www.pssg.gov.bc.ca/gaming/reports.

Performance Measure 14: Liquor licensee inspection and investigation

Performance Measure	2009/10 Actual	2010/11 Actual	2011/12 Target	2011/12 Actual
Percentage of inspected/investigated liquor licensees in compliance	N/A[4]	95	95	96 EXCEEDED

Data Source: Liquor Control and Licensing Branch

Note: This measure was new for the 2011/12 Service Plan.

Discussion

The Ministry tracks the percentage of inspected or investigated liquor licensees who are found to be in compliance with provincial liquor licensing regulations. More than 9,000 inspections are conducted annually of almost 10,000 licensees across all regions of the province. The Ministry focuses resources on high-risk establishments, so some establishments may be visited more than once in a given year, while others may not be visited during that year.

Increased voluntary compliance indicates the level at which licensees understand and are willing to cooperate with the liquor regulatory framework. An increase in voluntary compliance in areas such as over-service and prevention of service to minors may also indicate that liquor misuse is decreasing, thereby increasing public safety.

The Ministry's targeted approach of focusing resources on public safety contraventions and high-risk or problem establishments means there is a greater degree of certainty of enforcement consequences for non-compliant licensees. In the short term, this leads to a higher degree of voluntary compliance. Over the long term, however, the compliance rate may be seen to decrease due to the focus on high-risk, chronically non-compliant licensees. The target was exceeded in 2011/12.

Report on Resources

	Estimated	Other Authorizations[1]	Total Estimated	Actual	Variance
Operating Expenses ($000)					
Oil and Gas	12,042	27	12,069	6,872	(5,197)
Mines and Mineral Resources	10,084	0	10,084	11,475	1,391
Titles and Corporate Relations	3,753	95	3,848	3,721	(127)
Electricity and Alternative Energy	18,048	8,900	26,948	29,169	2,221
Executive and Support Services	3,999	0	3,999	5,711	1,712
Housing	345,444	794	346,238	346,238	0
Housing Endowment Fund Special Account	10,000	0	10,000	5,716	(4,284)
Innovative Clean Energy Fund Special Account	14,947	0	14,947	9,614	(5,333)
Liquor Control and Licensing	0	1	1	1	0
Gaming Policy and Enforcement	0	33,849	33,849	33,849	0
Executive and Support Services	0	362	362	362	0
Sub-total	**418,317**	**44,028**	**462,345**	**452,728**	**(9,617)**
Prior Year Accrual Reversals	0	0	0	(5,836)	(5,836)
Total	**418,317**	**44,028**	**462,345**	**446,892**	**(15,453)**
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)					
Executive and Support Services	64,250	0	64,250	5,191	(59,059)
Liquor and Gaming Administration	0	0	0	216	(216)
Total	**64,250**	**0**	**64,250**	**5,407**	**(58,843)**
Capital Plan ($000)[2]					
Housing	161,262	0	161,262	119,698	(41,564)
Total	**161,262**	**0,000**	**161,262**	**119,698**	**(41,564)**

Other Financing Transactions ($000)[3]					
Oil and Gas Commission Receipts	40,750	0,000	40,750	29,968	(10,782)
Oil and Gas Commission Disbursements	(40,750)	0,000	(40,750)	(29,968)	10,782
Net Cash Source (Requirements)	**0,000**	**0,000**	**0,000**	**0,000**	**0,000**
Northwest Transmission Line Receipts	61,000	0,000	61,000	0,000	(61,000)
Northwest Transmission Line Disbursements	(61,000)	0,000	(61,000)	0,000	61,000
Net Cash Source (Requirements)	**0,000**	**0,000**	**0,000**	**0,000**	**0,000**

[1] "Other Authorizations" includes Contingencies and the Liquor and Gaming programs newly transferred in the February 2012 reorganization. Amounts in this column are not related to the "estimated amount" under sections 5(1) and 6(1) of the *Balanced Budget and Ministerial Accountability Act* for ministerial accountability for operating expenses under the Act.

Annual Service Plan Report Appendices

Appendix A: Ministry Contact Information

Deputy Minister's Office

Eighth Floor, 1810 Blanshard Street
PO Box 9319 Stn Prov Govt
Victoria, B.C. V8W 9N3
Phone: 250-952-0241
website: www.gov.bc.ca/empr

Mines and Minerals Resources Regional Offices

Northwest

PO Box 5000
Second Floor, 3726 Alfred Avenue
Smithers, B.C. V0J 2N0
Phone: 250-847-7383
email: MMD-Smithers@gov.bc.ca

Central/Northeast

350 - 1011 – 4th Avenue
Prince George, B.C. V2L 3H9
Phone: 250-565-4240
email: MMD-PrinceGeorge@gov.bc.ca

South Central

2nd Floor, 441 Columbia Street
Kamloops, B.C. V2C 2T3
Phone: 250-371-3912
email: MMD-Kamloops@gov.bc.ca

Southeast

1902 Theatre Road
Cranbrook, B.C. V1C 7G1
Phone: 250-420-2161
email: MMD-Cranbrook@gov.bc.ca

Southwest

PO Box 9320 Stn Prov Govt
Sixth Floor, 1810 Blanshard Street
Victoria, B.C. V8W 9N3
Phone: 250-387-4825
email: SouthwestMinesDivision@gov.bc.ca

Mineral Titles Branch

303-865 Hornby Street
Vancouver BC V6Z 2G3
Phone: 1-866-616-4999

Mineral Claims Inspectors

Kamloops
2nd Floor, 441 Columbia Street
Kamloops B.C. V2C 2T3
Phone: 250-371-3786

Smithers
PO Box 1389 Houston B.C. V0J 1Z0
Phone: 250-845-3584

Residential Tenancy Branch Regional Offices

Victoria
Suite 101 – 3350 Douglas St, Victoria BC V8Z 3L1
PO Box 9298 Stn Prov Govt, Victoria BC V8W 9J8

Burnaby
#400 – 5021 Kingsway, Burnaby BC V5H 4A5

Kelowna
#305 – 478 Bernard Ave, Kelowna BC V1Y 6N7

Liquor Control and Licensing

PO Box 9292 Stn Prov Govt, Victoria BC V8W 9J8
Ph (in Victoria): 250-952-5787

Ph (outside Victoria): 1-866-209-2111
Fax: 250-952-7066

Gaming Policy and Enforcement

Victoria – Head Office
3rd Fl, 910 Government Street
Victoria B.C.
Ph: 250-387-5311
Fax: 250-356-8149

Burnaby – Audit, Investigation and Racing
Audit: #220 - 4370 Dominion Street
Burnaby, B.C.

Investigations and Racing: #408 - 4603 Kingsway Avenue, Burnaby, B.C.
Ph: 604 660-0245Fax: 604 660-2030

Kelowna – Regional Office
#200 - 1517 Water Street, Kelowna, B.C.

Ph: 250 861-7363
Fax: 250-861-7362

Prince George – Regional Office
#211 - 1577 7th Avenue, Prince George, B.C.
Ph: 250-612-4122
Fax: 250-612-4130

Appendix B: Hyperlinks to Additional Information

A list of legislation administered by the Ministry can be found at:
www.empr.gov.bc.ca/Titles/legislation/Pages/default.aspx

A list of Crowns, Agencies, Boards and Commissions reporting to the Minister, can be found at:
www.empr.gov.bc.ca/Titles/legislation/Pages/Major_Agencies_Boards_and_Commissins.aspx

The BC Energy Plan can be found at: www.energyplan.gov.bc.ca/

The Green Energy Advisory Task Force report can be found at:
http://www.empr.gov.bc.ca/EAED/Documents/GreenEnergyAdvisoryTaskForce.pdf

The Clean Energy Act and a complete set of backgrounders and factsheets can be found at:
www.mediaroom.gov.bc.ca/DisplayEventDetails.aspx?eventId=490

The Natural Gas Strategy can be found at:
http://www.gov.bc.ca/ener/popt/down/natural_gas_strategy.pdf

The LNG Strategy can be found at:
http://www.gov.bc.ca/ener/popt/down/liquefied_natural_gas_strategy.pdf

The Frac Focus BC website can be found at:
http://fracfocus.ca/

Office of Housing and Construction Standards

Contact and other information about the Office of Housing and Construction Standards can be found at: www.housing.gov.bc.ca

For information about Aboriginal Housing Initiatives, visit the website at:
www.housing.gov.bc.ca/housing/AboriginalHousing

The Provincial Housing Strategy, Housing Matters BC, can be found at:
www.housingmattersbc.ca

Residential Tenancy

Contact and other information about Residential Tenancy can be found at:
www.rto.gov.bc.ca

Gaming Policy and Enforcement

Contact and other information about Gaming Policy and Enforcement can be found at:
www.pssg.gov.bc.ca/gaming

Liquor Control and Licensing

Contact and other information about Liquor Control and Licensing can be found at:
www.pssg.gov.bc.ca/lclb